

SENATE BILL NO. 94—COMMITTEE ON GOVERNMENT AFFAIRS

FEBRUARY 15, 2007

Referred to Committee on Taxation

SUMMARY—Revises provisions governing the occupancy tax imposed on lodging in Douglas County. (BDR S-39)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in **bolded italics** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; increasing the occupancy tax imposed on lodging within Tahoe Township in Douglas County; increasing the amount of the proceeds of that tax that must be remitted to the Tahoe-Douglas Visitor's Authority; revising the provisions governing the use of that tax; authorizing an increase in the occupancy tax on lodging within the other portions of Douglas County; revising the provisions governing the use of that tax; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Under existing law, an occupancy tax of 8 percent is imposed on lodging in
2 Tahoe Township in Douglas County. (Tahoe-Douglas Visitor's Authority Act § 19)
3 **Section 2** of this bill increases the occupancy tax that is imposed on lodging in
4 Tahoe Township to 10 percent. **Section 3** of this bill increases the amount of the
5 proceeds of that tax that must be remitted to the Tahoe-Douglas Visitor's Authority
6 and authorizes the use of those proceeds by the Authority for the planning,
7 construction and operation of a convention center in the South Shore Community of
8 Lake Tahoe, including the Township and the City of South Lake Tahoe, California.
9 Under existing law, Douglas County is authorized to impose an occupancy tax
10 on lodging in the other portions of the County. The occupancy tax must not exceed
11 8 percent of the gross taxable rent paid for lodging. (Douglas County Lodgers Tax
12 Law Act § 28) **Section 1** of this bill increases the maximum authorized occupancy
13 tax that may be imposed in the other portions of Douglas County to 10 percent and
14 revises the amount of that tax that must be used exclusively for advertising,
15 publicizing and promoting tourism and recreational facilities.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 28 of the Douglas County Lodgers Tax Law Act, being chapter 639, Statutes of Nevada 1969, as last amended by chapter 496, Statutes of Nevada 1997, at page 2381, is hereby amended to read as follows:

Sec. 28. Authorization of tax.

1. The municipality may impose an occupancy tax for revenues by ordinance on lodging within the portion of the county lying outside the Tahoe Township, as the boundaries of that township existed on July 1, 1997.

2. The occupancy tax ~~shall~~ **must** not exceed ~~18~~ **10** percent of the gross taxable rent. Any amount in excess of ~~5~~ **5.25** percent must be used exclusively for advertising, publicizing and promoting tourism and the recreational facilities.

3. Every vendor who is furnishing any lodgings within the municipality is exercising a taxable privilege.

4. A vendor is not exempt from the occupancy tax because the taxable premises are at any time located in a political subdivision other than the municipality.

Sec. 2. Section 19 of the Tahoe-Douglas Visitor's Authority Act, being chapter 496, Statutes of Nevada 1997, as amended by chapter 496, Statutes of Nevada 1997, at page 2379, is hereby amended to read as follows:

Sec. 19. 1. An occupancy tax of ~~18~~ **10** percent is hereby imposed on vendors furnishing lodgings in the township. The governing body shall administer the tax.

2. Every vendor who furnishes any lodgings within the Township is exercising a taxable privilege.

3. A vendor is not exempt from the occupancy tax because the taxable premises are at any time located in a political subdivision other than the municipality.

Sec. 3. Section 26 of the Tahoe-Douglas Visitor's Authority Act, being chapter 496, Statutes of Nevada 1997, as amended by chapter 496, Statutes of Nevada 1997, at page 2379, is hereby amended to read as follows:

Sec. 26. 1. From the proceeds of the occupancy tax paid by vendors located in the township, the governing body shall:

(a) Pay the principal of, interest on and any prior redemption premiums due in connection with any securities issued by the county pursuant to the Douglas County Lodgers Tax Law which were secured with the proceeds of the



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occupancy tax collected pursuant to the Douglas County Lodgers Tax Law.

(b) After allocation of those proceeds pursuant to paragraph (a), pay any obligations incurred before July 1, 1997, pursuant to any contractual agreements between the governing body and the Lake Tahoe Visitor's Authority.

2. A portion of the proceeds of the occupancy tax paid by vendors located in the Township, not to exceed 1 percent of the amount collected, may be used to collect and administer the tax.

3. ~~{One-eighth}~~ **One-tenth** of the proceeds of the occupancy tax paid by vendors located in the Township must be remitted to the Authority.

4. After allocation pursuant to subsections 1, 2 and 3 of the proceeds of the occupancy tax paid by vendors located in the Township, the remaining proceeds must be allocated as follows:

(a) Except as otherwise provided in paragraph (b), for each Fiscal Year beginning on or after July 1, 1999, 50 percent of those proceeds must be retained by the governing body for expenditure in any manner authorized for the expenditure of the proceeds of a tax imposed pursuant to the Douglas County Lodgers Tax Law and 50 percent of those proceeds must be remitted to the Authority.

(b) Except as otherwise provided in paragraph (c), for each Fiscal Year beginning on or after July 1, 2000, the governing body shall revise the allocation required pursuant to this subsection in such a manner that the amount of those proceeds retained by the governing body is reduced, and the amount remitted to the Authority is increased, from the amounts for the prior fiscal year by not less than 2 percent and not more than 5 percent of the total amount of the proceeds allocated pursuant to this subsection, until the amount retained by the governing body for each fiscal year equals ~~{35}~~ **30** percent of those proceeds and the amount remitted to the Authority for each fiscal year equals ~~{65}~~ **70** percent of those proceeds.

(c) The governing body may, for not more than one of the Fiscal Years beginning on or after July 1, 2000, elect not to make a revision otherwise required pursuant to paragraph (b).

5. The proceeds remitted to the Authority pursuant to subsections 3 and 4 must be used exclusively for:

(a) The advertising, publicizing and promotion of tourism and recreation; and



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1 (b) The planning, construction and operation of a
2 convention center in the *South Shore Community of Lake*
3 *Tahoe, including the* Township ~~H~~ *and the City of South*
4 *Lake Tahoe, California.*

5 **Sec. 4.** This act becomes effective on July 1, 2007.

